

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

SECRET/SENSITIVE

November 5, 1970

MEMORANDUM FOR THE PRESIDENT

FROM: Henry A. Kissinger

SUBJECT: NSC Meeting, November 6 -- Chile

This meeting will consider the question of what strategy we should adopt to deal with an Allende Government in Chile.

A. DIMENSIONS OF THE PROBLEM

The election of Allende as President of Chile poses for us one of the most serious challenges ever faced in this hemisphere. Your decision as to what to do about it may be the most historic and difficult foreign affairs decision you will have to make this year, for what happens in Chile over the next six to twelve months will have ramifications that will go far beyond just US-Chilean relations. They will have an effect on what happens in the rest of Latin America and the developing world; on what our future position will be in the hemisphere; and on the larger world picture, including our relations with the USSR. They will even affect our own conception of what our role in the world is.

Allende is a tough, dedicated Marxist. He comes to power with a profound anti-US bias. The Communist and Socialist parties form the core of the political coalition that is his power base. Everyone agrees that Allende will purposefully seek:

- to establish a socialist, Marxist state in Chile;
- to eliminate US influence from Chile and the hemisphere;
- to establish close relations and linkages with the USSR, Cuba and other Socialist countries.

The consolidation of Allende in power in Chile, therefore, would pose some very serious threats to our interests and position in the hemisphere, and would affect developments and our relations to them elsewhere in the world:

- US investments (totaling some one billion dollars) may be lost, at least in part; Chile may default on debts (about \$1.5 billion) owed the US Government and private US banks.

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- Chile would probably become a leader of opposition to us in the inter-American system; a source of disruption in the hemisphere, and a focal point of support for subversion in the rest of Latin America.
- It would become part of the Soviet/Socialist world, not only philosophically but in terms of power dynamics; and it might constitute a support base and entry point for expansion of Soviet and Cuban presence and activity in the region.
- The example of a successful elected Marxist government in Chile would surely have an impact on--and even precedent value for--other parts of the world, especially in Italy; the imitative spread of similar phenomena elsewhere would in turn significantly affect the world balance and our own position in it.

While events in Chile pose these potentially very adverse consequences for us, they are taking a form which makes them extremely difficult for us to deal with or offset, and which in fact poses some very painful dilemmas for us:

- a. Allende was elected legally, the first Marxist government ever to come to power by free elections. He has legitimacy in the eyes of Chileans and most of the world; there is nothing we can do to deny him that legitimacy or claim he does not have it.
- b. We are strongly on record in support of self-determination and respect for free election; you are firmly on record for non-intervention in the internal affairs of this hemisphere and of accepting nations "as they are." It would therefore be very costly for us to act in ways that appear to violate those principles, and Latin Americans and others in the world will view our policy as a test of the credibility of our rhetoric.

On the other hand, our failure to react to this situation risks being perceived in Latin America and in Europe as indifference or impotence in the face of clearly adverse developments in a region long considered our sphere of influence.

- c. Allende's government is likely to move along lines that will make it very difficult to marshal international or hemisphere censure of him--he is most likely to appear as an "independent" socialist country rather than a Soviet satellite or "Communist government."

Yet a Titoist government in Latin America would be far more dangerous to us than it is in Europe, precisely because it can move against our policies and interests more easily and ambiguously and because its "model" effect can be insidious.

A. Dimensions of the Problem (continued)

Allende starts with some significant weaknesses in his position:

- There are tensions in his supporting coalition.
- There is strong if diffuse resistance in Chilean society to moving to a Marxist or totalitarian state.
- There is suspicion of Allende in the military.
- There are serious economic problems and constraints.

To meet this situation, Allende's immediate "game plan" is clearly to avoid pressure and coalescing of opposition prematurely, and to keep his opponents within Chile fragmented so that he can neutralize them one by one as he is able. To this end, he will seek to:

- be internationally respectable;
- move cautiously and pragmatically;
- avoid immediate confrontations with us; and
- move slowly in formalizing relations with Cuba and other Socialist countries.

There is disagreement among the agencies as to precisely how successful Allende will be in overcoming his problems and weaknesses, or how inevitable it really is that he will follow the course described or that the threats noted will materialize.

But the weight of the assessments is that Allende and the forces that have come to power with him do have the skill, the means and the capacity to maintain and consolidate themselves in power, provided they can play things their way. Logic would certainly argue that he will have the motivation to pursue purposefully aims he has after all held for some 25 years. Since he has an admittedly profound anti-US and anti-capitalist bias, his policies are bound to constitute serious problems for us if he has any degree of ability to implement them.

B. THE BASIC ISSUE

What all of this boils down to is a fundamental dilemma and issue:

a. Do we wait and try to protect our interests in the context of dealing with Allende because:

-- we believe we cannot do anything about him anyway;

-- he may not develop into the threat we fear or may mellow in time;

-- we do not want to risk turning nationalism against us and damaging our image, credibility and position in the world;

AND thereby risk letting Allende consolidate himself and his ties with Cuba and the USSR, so that a year or two from now when he has established his base he can move more strongly against us, and then we really will be unable to do anything about it or reverse the process. Allende would in effect use us to gain legitimacy and then turn on us on some economic issue and thereby caste us in the role of "Yankee imperialist" on an issue of his choice.

OR

b. Do we decide to do something to prevent him from consolidating himself now when we know he is weaker than he will ever be and when he obviously fears our pressure and hostility, because:

-- we can be reasonably sure he is dedicated to opposing us;

-- he will be able to consolidate himself and then be able to counter us in increasingly intense ways; and

-- to the extent he consolidates himself and links to the USSR and Cuba the trend of events and dynamics will be irreversible.

AND thereby risk:

-- giving him the nationalistic issue as a weapon to entrench himself;

-- damaging our credibility in the eyes of the rest of the world as interventionist;

-- turning nationalism and latent fear of US domination in the rest of Latin America into violent and intense opposition to us; and

-- perhaps failing to prevent his consolidation anyway.

### C. OUR CHOICES

There are deep and fundamental differences among the agencies on this basic issue. They manifest themselves in essentially three possible approaches:

#### 1. The Modus Vivendi Strategy:

This school of thought, which is essentially State's position, argues that we really do not have the capability of preventing Allende from consolidating himself or forcing his failure; that the main course of events in Chile will be determined primarily by the Allende government and its reactions to the internal situation; and that the best thing we can do in these circumstances is maintain our relationship and our presence in Chile so that over the long haul we may be able to foster and influencing domestic trends favorable to our interests. In this view actions to exert pressure on Allende or to isolate Chile will not only be ineffective, but will only accelerate adverse developments in Chile and limit our capacity to have any influence on the long-range trend.

In this view the risks that Allende will consolidate himself and the long-range consequences therefrom are less dangerous to us than the immediate probable reaction to attempts to oppose Allende. Its perception of Allende's long-term development is essentially optimistic and benign. Implicit is the argument that it is not certain he can overcome his internal weaknesses, that he may pragmatically limit this opposition to us, and that if he turns into another Tito that would not be bad since we deal with other governments of this kind anyway.

#### 2. The Hostile Approach:

DOD, CIA and some State people, on the other hand, argue that it is patent that Allende is our enemy, that he will move counter to us just as soon and as strongly as he feels he can; and that when his hostility is manifest to us it will be because he has consolidated his power and then it really will be too late to do very much--the process is irreversible. In this view, therefore, we should try to prevent him from consolidating now when he is at his weakest.

Implicit in this school of thought is the assumption that we can affect events, and that the risks of stirring up criticism to our position elsewhere are less dangerous to us than the long-term consolidation of a Marxist government in Chile.

2. The Hostile Approach (continued)

Within this approach there are in turn two schools of thought:

a. Overt Hostility.

This view argues that we should not delay putting pressure on Allende and therefore should not wait to react to his moves with counter-punches. It considers the dangers of making our hostility public or of initiating the fight less important than making unambiguously clear what our position is and where we stand. It assumes that Allende does not really need our hostility to help consolidate himself, because if he did he would confront us now. Instead he appears to fear our hostility.

This approach therefore would call for (1) initiating punitive measures, such as terminating aid or economic embargo; (2) making every effort to rally international support of this position; and (3) declaring and publicizing our concern and hostility.

b. Non-overt Pressure, Cold, Correct Approach.

This approach concurs in the view that pressure should be placed on Allende now and that we should oppose him. But it argues that how we package that pressure and opposition is crucial and may make the difference between effectiveness and ineffectiveness. It argues that an image of the US initiating punitive measures will permit Allende to marshal domestic support and international sympathy on the one hand, and make it difficult for us to obtain international cooperation on the other. It further argues that it is the effect of pressure not the posture of hostility that hurts Allende; the latter gives him tactical opportunities to blunt the impact of our opposition.

Implicit in this approach is the judgment that how unambiguous our public position is and making a public record are all less important in the long run than maximizing our pressure and minimizing risks to our position in the rest of the world.

This approach therefore calls for essentially the same range of pressures as the previous one, but would use them quietly and covertly; on the surface our posture would be correct, but cold. Any public manifestation or statement of hostility would be geared to his actions to avoid giving him the advantage of arguing he is the aggrieved party.

D. ASSESSMENTS

As noted, the basic issue is whether we are to wait and try to adjust or act now to oppose.

The great weakness in the modus vivendi approach is that:

- it gives Allende the strategic initiative;
- it plays into his game plan and almost insures that he will consolidate himself;
- if he does consolidate himself, he will have even more freedom to act against us after a period of our acceptance of him than if we had opposed him all along;
- there are no apparent reasons or available intelligence to justify a benign or optimistic view of an Allende regime over the long term. In fact, as noted, an "independent" rational socialist state linked to Cuba and the USSR can be even more dangerous for our long-term interests than a very radical regime.

There is nothing in this strategy that promises to deter or prevent adverse anti-U.S. actions when and if Chile wants to pursue them -- and there are far more compelling reasons to believe that he will when he feels he is established than that he will not.

The main question with the hostile approach is whether we can effectively prevent Allende from consolidating his power. There is at least some prospect that we can. But the argument can be made that even if we did not succeed -- provided we did not damage ourselves too severely in the process -- we could hardly be worse off than letting him entrench himself; that there is in fact some virtue in posturing ourselves in a position of opposition as a means of at least containing him and improving our chance of inducing others to help us contain him later if we have to.

In my judgment the dangers of doing nothing are greater than the risks we run in trying to do something, especially since we have flexibility in tailoring our efforts to minimize those risks.

I recommend, therefore that you make a decision that we will oppose Allende as strongly as we can and do all we can to keep him from consolidating power, taking care to package those efforts in a style that gives us the appearance of reacting to his moves.

E. THE NSC MEETING

Contrary to your usual practice of not making a decision at NSC meetings, it is essential that you make it crystal clear where you stand on this issue at today's meeting. If all concerned do not understand that you want Allende opposed as strongly as we can, the result will be a steady drift toward the modus vivendi approach. This is primarily a question of priorities and nuance. The emphasis resulting from today's meeting must be on opposing Allende and preventing his consolidating power and not on minimizing risks.

I recommend that after your opening remarks you call on Dick Helms to give you a briefing on the situation and what we might expect. I would then outline the main issues and options along the above lines, after which you could call on Secretaries Rogers and Laird for their views and observations. Your Talking Points, which are appended, are written along these lines.

Also included in your book are:

- A State/DOD options paper.
- An analytical summary of that options paper.